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ABSTRACT

This updated guide is designed to help students in Alberta, Canada, plan and finance postsecondary education. A student who has made financial plans will have more options when it is time to choose an institution for postsecondary education. How to choose the right school depends on what a student wants from education and what he or she plans for the future. The booklet outlines the pros and cons of various options for paying for higher education, including government-sponsored loans and grants. Some sources of additional information are listed. (SLD)

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What's Next?

Planning and Financing Your Post-Secondary Education

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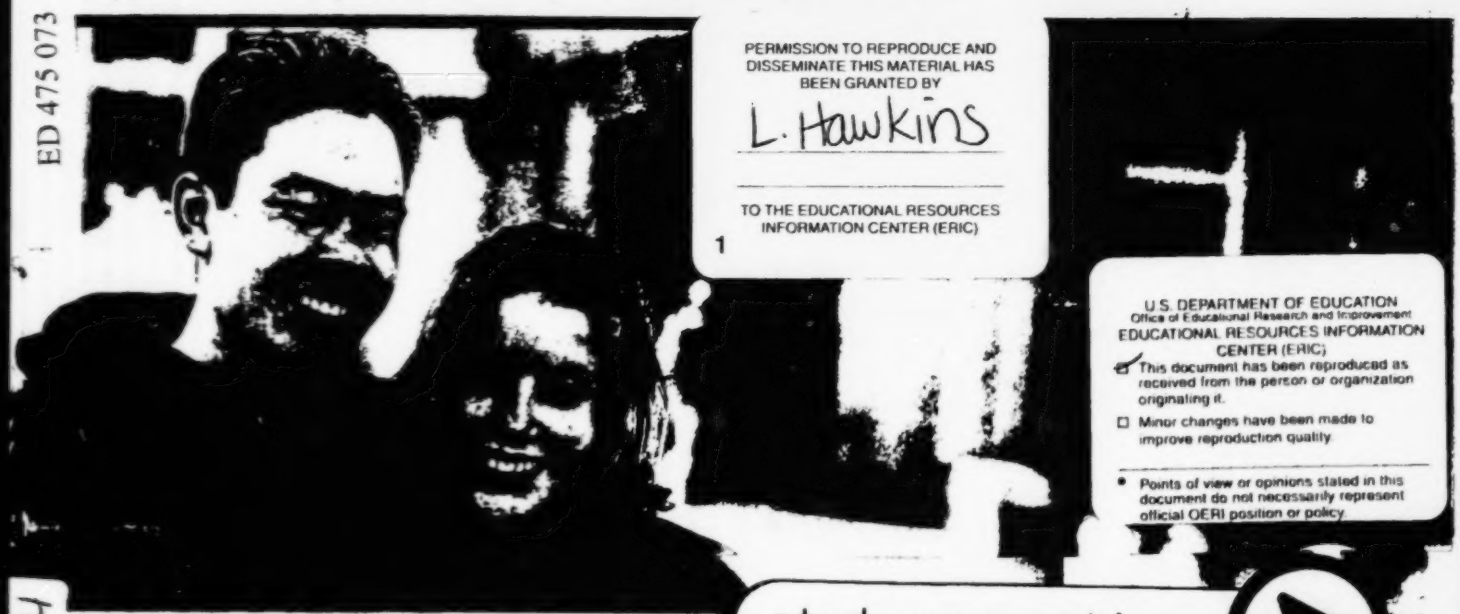

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study your options

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"Having a Dream Isn't Foolish. It's Not Having a Dream That's Foolish."

"I always knew that I would continue my education after high school, but I was so busy with school that I didn't think about the details. Then one day, it was time to make a decision, and the world suddenly seemed like a lot bigger place."

"At first, I thought I just had to decide what I was going to study, and what kind of a job I wanted when I graduated. That turned out to be one of the easiest choices I had to make."

THEN I HAD TO DECIDE:

- Where should I go to school?
- Should I take a two or four year program?
- Should I live at home or is it time to find my own place?
- Can I afford to go to school?
- Can I afford not to go to school?

"You get the picture. I thought deciding to go to school was one of my last choices. Turns out, it was only the beginning."

What's Your Plan?

If you're thinking about continuing your education, even if you don't know exactly how, it's time to start planning how to pay for it. If the money's under control, you'll have more options when you're ready to make up your mind. Here's how a couple of students are dealing with the money side of their education.

Kayla

Kayla didn't decide to continue her education until she was almost through her last year of high school. After talking with her parents and friends, she decided to enter a general program at university. Her parents had a little money saved, and she had a $2,000 Canada Savings Bond her grandmother had given her years ago, but that was it. Because Kayla is from a small town, she has to live away from home while she's at school – another major expense on top of her tuition and books. Even with all this uncertainty, she knows continuing her education is a good decision, and she's finding ways to make it work. She has lined up a job for the summer, and she has applied for student assistance. She'll have student loan debt when she graduates, but she'll also have a university degree.

Tom

For as long as he could remember, Tom planned to follow in his father's footsteps and join the police force. Unlike his father, who joined the force right out of high school, he knew that his best chance of getting in was to continue his education. Because this was always his plan, he saved the money he made from a part-time job in high school, and had money in the bank to cover the first year of school. By continuing to live at home, and using some money that his parents had put aside for his education, Tom should be able to get through school without borrowing any money. Because he won't have any debt when he graduates, Tom plans to get a new car when he makes it on the force.

You Need a Plan.

Everyone has goals for their life, and many of them start with education. If you have a dream, now is the time to think about how you can make it happen.

Whether you're starting school in two months, or in two years, it's never too early to think about what you want from college or university and how you and your parents will pay for it. Your plans may change as you get closer to enrolment, but one thing won't change – the fact that the more money you have saved, the more freedom you'll have to enjoy school.

Which School Is Right for Me?

Which school is right for you will depend on a lot of things, including the type of job you want when you graduate, how long you're prepared to spend in school, and what subjects you want to study.

There are all kinds of different schools including universities, public colleges, technical institutes, apprenticeship programs, and private vocational colleges. Each offers a broad variety of programs that can lead you to different kinds of careers when you graduate. It's up to you to research the options and decide which program will help you reach your goals.

Choices, Choices, Choices

A lot of things go into choosing a school. Before you can decide what kind of school is right for you, and what you should study, think about what you want from your education (be honest):

- Getting a specific job?
- Learning new things?
- Meeting new people?

It's not like you need any more pressure, but choosing your school and program are some of the most important choices you'll ever make. Don't be intimidated – people make these choices every day, and people change their minds every day.

There's no one right way to make a decision, but there is one wrong way – trying to please someone besides yourself. It's your future – you should be in control of it.

Ask yourself these questions, and think hard about the answers, then decide which choice is right for you:

What am I interested in? What do I like studying? What do I enjoy doing?

Many people are fortunate enough to enjoy their job. A lucky few can make a living from their real passion. Ask yourself what you truly enjoy.

What kind of job do I want when I finish my education?

Sometimes it's easier to start at the end. Consider what kind of job you want to have and work backwards to figure out what education you need to get it. Consider what's truly important to you. For some people it's money, for others it's the chance to be creative or to travel or to help people. What choices will make YOU happy?

How much of a hurry am I in?

Is time a factor for you? Some people are in a hurry to get to work, while others are willing to spend many years at school to get the degree they want. If you want to be finished school in a year or two, don't plan on becoming an engineer or a doctor.

What if I need help?

Contact your nearest Alberta Career Development Centre or Canada-Alberta Service Centre.

How Much Will My Education Cost?

There's no doubt that post-secondary education is getting more expensive, but going to school in Alberta is still pretty affordable.

Here is approximately how much a year (usually 8-10 months) of school costs.

education by the numbers

Living at Home

$5,000 – $7,000

Living Away from Home

$10,000 – $12,000*

*These estimates are for single students – if you are married or have children, you'll have higher expenses.

How Do You Pay For Your Dream?

If you have a dream, nothing should stand in your way – especially money. There are lots of different ways to pay for your education. And not all of them involve having a lot of money in the bank.

So how should you pay for your education? The answer is different for everyone. Here are a couple of things to consider.

Do you want to go to school full-time or part-time?

Going to school part-time could leave you time to work to help pay for it. But part-time students can't get as much financial assistance through student loans, scholarships, and grants as full-time students.

Where do you want to go to school?

If you choose to go to school outside Canada, you may not be eligible for as much financial assistance.

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Paying for Your Education

If you're like most students, you'll use more than one source of money to pay for school – like a mix of savings, money from your family, part-time jobs, scholarships, and student loans and grants.

The most important thing is to find the right sources or variety of sources, for you. It's all about making the choices that will work best for you in the long term.

Here are some of the usual sources of financing people use, with some comments about their advantages and drawbacks.

options	pros & cons
Savings – From jobs, birthday presents, investments, anything.	The money you have is always a good place to start.
Family contributions – What can your parents contribute? Some families use investment programs like Registered Education Savings Plans to save for their children's education.	It can be hard to ask for money, but it's important. Even if your family can't give you money, they may loan you some and you'll probably have some flexibility paying it back.
Jobs – Summer jobs when you aren't in school and part-time jobs when you are.	You'll make money and pick up some work experience. While you're in school it can be hard to work and leave enough time for studying (and a little bit of fun).
Government Sponsored Student Loans – Both the federal and provincial governments sponsor loans to qualifying students. This is a major source of funding for many students.	You don't have to make any payments on student loans while you're in school, but they do have to be repaid when you finish. Because loans are awarded based on need, you may not get one if your family has a high income or other resources. The *Alberta Student Loan Relief Program* offers two separate benefits at two points in your studies. To be eligible, you must have accumulated more than $5,000 in a year (or $2,500 in a semester) in Alberta Student Loans or combined Alberta and Canada Student Loans.

options	pros & cons
Government Grants – Both the federal and provincial government give grants and scholarships in addition to loans. **Alberta Opportunities Bursaries** for first or second year students. **Maintenance Grants** for students with special circumstances, such as single parents. **Canada Study Grants** for students with special circumstances, such as students with disabilities or dependents.	Grants keep your student loans from getting too big – they don't have to be repaid. Most grants are only available to students with high financial need or special circumstances.
Canada Millennium Bursary – This program will offer undergraduate students with high financial need, awards of up to $3,000 per year. You will be considered if you qualify for a large student loan. Note: Graduate students are not eligible for this award.	Another source of financing that does not have to be repaid when you leave school. You must be in your second or subsequent year of undergraduate study, or any year of a professional program (eg. law or medicine).
Scholarships and Bursaries – Scholarships are usually awarded for good grades or in recognition of other achievements, while bursaries are awarded based on your need.	This is money you don't have to pay back. Apply for as many scholarships and bursaries as you can. Talk to the financial aid office at your school. You don't have a chance if you don't apply!
Co-op/Apprenticeship/Applied Degree Programs – These programs alternate terms at school with terms in paid work placements.	These programs let you gain valuable work experience in your field and earn money, but it usually takes longer to finish your degree or diploma.
Bank Student Loans – The government does not sponsor these loans – they may be an alternative for students who don't qualify for a government sponsored student loan.	You usually have to make interest payments on these loans while you're in school. If you don't have a job or a credit history, you may need someone who does (like a parent) to co-sign the loan.

Government sponsored student loans and grants.

Many people use government sponsored student loans and grants to help them pay for their education. Student loans are special loans you apply for through the government of Alberta. There are Canada Student Loans and Alberta Student Loans. The student loan program is a partnership between you and the federal and provincial governments to help you pay for your education. Both governments also have grant programs to ensure students who need financial assistance don't borrow more money than they can reasonably pay back.

Who qualifies for a student loan or grant?

Getting a regular loan is based on your ability to pay back the money later, but student loans are given based on your need. The government looks at how much school will cost you, then considers the money you have, and how much your family (if applicable) should be able to put towards your education. A student loan and grant covers the difference.

What if my parents won't pay for my education?

If you've been out of high school for less than four years (or you haven't been available for full-time work for at least two), you are considered a dependent student. That means that if they make enough money, your parents are expected to help pay for your education. Even if they don't actually give you anything, their income will affect whether or not you can get a student loan.

If you feel you have special circumstances, talk to your high school guidance counsellor, the financial aid office at the schools you're considering, or an Alberta Career Development Center or Canada-Alberta Service Centre.

If your family is having financial problems, your situation may be reconsidered.

Will I Get A Student Loan?

The formula that decides whether or not you get a student loan, and how much you receive, is very simple:

your allowable expenses – your resources = your assistance (loans + grants)

You won't be living like royalty on government student loans and grants, but they should be enough to help cover tuition, books and basic living expenses.

When Do I Pay Them Back?

When you graduate, or stop going to school full-time, you'll have six months to look for a job and get settled before you have to start paying back your student loans. You don't have to pay back grants, bursaries or scholarships.

Your Alberta and Canada Student Loans will be in interest free status while you are in school full-time. In other words, you will not be required to pay interest on your loans while you are a full-time student. However, interest will begin to accrue on the outstanding balance of your Alberta and Canada Student Loans immediately after you complete your classes.

After six months, you start making regular monthly payments on your student loan, the same way you would for any other kind of loan. As well, there are a number of programs to help if you run into financial difficulty while repaying your student loan.

Finally...

These choices are some of the most important you'll ever make. There are lots of decisions to be made, but you don't have to make them alone. There are lots of places to get help:

- Your high school guidance counsellor
- The financial aid offices at the schools you're considering
- Any Alberta Career Development Centre or Canada-Alberta Service Centre (they're in the Blue Pages of the phone book) or visit www.alis.gov.ab.ca/cdc-casc
- ALIS website, established by the Government of Alberta to promote education, career and employment planning at www.alis.gov.ab.ca

Get as much information as possible and ask as many questions as you need to make the choices that will work best for you in the long term. Study your options and plan ahead – your future starts now. Be ready.

Need more information? Try the other booklets in the Study Your Options series.

Owner's Manual: A Guide To Financing Your Education (available only on our website at www.alis.gov.ab.ca)

Just The Facts: A Short Guide to Students Finance (available only on our website at www.alis.gov.ab.ca)

Quick Tips: A Companion To Your Student Financial Assistance Application

Exit Guide: Strategies for Paying Back Your Student Loan

Human Resources Development Canada
1-888-432-7377 TTY line 819-994-1218
www.hrdc-drhc.gc.ca

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More information and all books in this series are available on the Internet
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